

Labor Healthcare Committee

July 2, 2014

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It was my hope and continues to be my hope that both labor and management can find cost savings as it relates to healthcare, and still maintain the highest level of benefits for county employees.

As I see it we are faced with two challenges

1. How do we reduce current healthcare cost and maintain current benefit levels.
2. How we control cost moving into the future

POINT 1: The administration has indicated to all the county unions that they want a 10 – 20% savings immediately. The only way to meet this objective is by plan design changes or employees contributing a percentage of their salary toward their premiums (single coverage)

This committee has been shown a number of different scenarios which would accomplish cost savings, all of which are subject to negotiations.

Which is where the real challenge lies. All ten unions would need to agree on which plan design changes would be acceptable, this is due to the obvious fact that this is a self-insured group. I cannot speak for any other labor organization on this issue. However, as the administrator of AFSCME Local 199 the largest county union I can. Let me be clear, it will be very difficult to get to a resolution on this issue. However, I think if there were any immediate viable option, the select plan offered by Jackson is well worth exploring as well as the health plan laid out by President Baker of SEIU. I would like to recommend immediately following the July 15 budget meeting we convene a meeting with all the parties interested and specifically discuss and become more educated about the plan and the reality of Jackson's capacity to handle more patients. I still believe there is skepticism and it would behoove all of us to put our cards on the table and answer any questions the interested parties may have.

Let me once again reiterate at the end of the day any changes to the healthcare plan would have to be negotiated with the county unions.

POINT 2: How do we control cost in the future and maintain the highest level of benefits for the county employees.

1. All contracts related to the county healthcare plan should go out to bid every 2 years
2. The county should hire a fulltime wellness director and in independent company to run a wellness program.

Having an independent company to run your wellness program allows the county to assess real quantitative results over time and will potentially save the county millions of dollars. (This model is currently being implemented at the school board)

3. Have an independent auditor review all claims on an annual basis, and have reports issued to both the county and the unions.

There are companies who will perform this function at no cost to the county and only get paid a percentage of the dollars they re-capture.

4. I also believe that we need to explore building out a state of the art modernized clinics. At some point we need to reinvest in the system. There are a number of ways to try to obtain the funding necessary to make this a reality. Between state, county, and city there is over a billion dollars a year in premium dollars spent. This is not a far-fetched idea or a pipe dream.

This model is being implemented in major cities all around the U.S

5. Continued labor management meetings regarding healthcare. On a quarterly basis management, union, consultant and the ASO should meet and review all relevant information as it relates to the health plan (utilization, expenditures, financial reports etc.....)

6. All cost savings should be accredited to the employees.